Standard Club

By your side

Service Specification and Guidance to Correspondents

This document outlines the service delivery which the club expects of a correspondent to support and enhance its claims handling processes and activities. The objective is to present a clear, concise and measurable description of the responsibilities that should underpin the efficient delivery of services by the correspondent.

Instructions / acknowledgement and request to attend

a) Where practicable, the club undertakes to ensure that full instructions are given in sufficient time to enable the required service to be performed effectively and efficiently. Unless otherwise agreed, an instruction should be acknowledged by the correspondent confirming the action taken by no later than 24 hours.

b) If you are instructed prior to our being notified of the incident, it is your responsibility, at the earliest possible opportunity after becoming aware of the club's involvement, to inform the club by telephone, followed by an e-mail outlining what steps have been taken so far, including the appointment of surveyors, details of any advice already given and, if possible, a rough estimate of the claim and costs. On receipt of your e-mail, the club claims executive will acknowledge receipt and work closely with you regarding the next steps to be taken.

Data protection

The correspondent and any other service provider appointed are each subject to applicable data protection legislation (including, without limitation, General Data Protection Regulation 2018). Correspondents will routinely receive personal data, as a result of receiving instructions from one or more of the club, managers or members ('**instructing party**'). 'Personal data' refers to information aboutan identified or identifiable individual, such as their name, job description, date of birth, email address, mailing address or health-related data. All personal data should be handled in accordance withapplicable data protection legislation and any binding regulatory guidance or codes of practice. This includes, without limitation, ensuring that all personal data is stored securely and used/distributed no more than necessary to fulfil the relevant data processing purposes.

Unless the relevant instructing party agrees otherwise or as otherwise permitted by law, the correspondent agrees to abide by the following principles when handling personal data on behalf of the instructing party:

- The correspondent will:
    - at all times keep personal data confidential and handle such data only as directed by the instructing party, unless the law requires otherwise (in which case the correspondent will notify the instructing party of those legal requirements before handling the data);
    - only share personal data with those of its personnel who are bound by obligations of confidentiality, and only then on a 'need-to-know' basis;
    - handle the data solely for the proper progression of the claim;
    - assist the instructing party in complying with its data protection obligations;

- implement and maintain appropriate data security measures to safeguard personal data against any unauthorised or unlawful use or accidental loss or damage ('**personal data breach**');
- not sub-contract its data handling obligations to any third party unless the instructing party has authorised such subcontracting either in general terms or by way of a specific authority;
- notify the instructing party, without undue delay, of any breach of security leading to a personal data breach;
- assist the instructing party to respond to any request from an individual to exercise their personal rights under applicable data protection laws as well as any investigations conducted by the instructing party or a data protection regulator;
- make available to the instructing party all information necessary to demonstrate compliance with the obligations laid down in this service specification and allow for and contribute to audits, including inspections, conducted by the instructing party or any third party nominated party mandated by them; and
- subsequent to the settlement of the claim or unless earlier required by the instructing party, delete personal data in relation to the claim or return it to the instructing party, unless required to retain the data due to legal requirements.

Appointment of surveyors

The club acknowledges the fact that correspondents will know the qualities of surveyors in their respective ports. Indeed, some correspondents have associated survey companies and in-house surveyors to call upon in addition to the customary independent survey firms that they also outsource instructions to. Careful surveyor selection is a key requirement to achieve the standard of service expected. If the request to appoint a surveyor has not come from the club, such request, if time permits, should ideally be authorised before the actual appointment is made. There will be occasions when this procedure is not possible, due to the urgency of the situation and your own assessment of the matter. In this situation, the club expects to be informed by telephone and e-mail at the earliest opportunity.

The club expects the correspondent to choose the best surveyor for any given incident, even if that means instructing an independent company to do the work over someone in-house. It is your responsibility as correspondent to ensure that the surveyor knows what is required of him. If there is any doubt as to what the club and member require, it is always best to speak to the claims handler.

The club recognises that the speed of reporting and the detail of preliminary advices given by the attending surveyor will depend on the complexity of the case. In all cases the minimum requirement expected from the surveyor is a short e-mail report immediately following first attendance. As the complexity of claims has increased, there will be times when the club will decide quite early on in the case to deploy a surveyor with a particular specialism from their approved list of consultants. When the club turns to a specialist consultant, it will be for a multitude of reasons, and this approach to the casualty will often determine how long the involvement of the locally appointed survey will continue for. In conjunction with the club claims handler, your knowledge of the complexities of the case will be invaluable in helping the claims handler with that withdrawal decision.

Instructing local lawyers

The club expects that the vast majority of routine claims will be settled or brought to a satisfactory conclusion without the need to involve lawyers. In the majority of cases, the correspondent should themselves assess the merits of the claim and advise the club accordingly. Provided there is time to do so, the club should be consulted before a lawyer is appointed. When instructing lawyers, it is always advisable to give written instructions and, in consultation with the claims handler, you will agree the submission. Verbal or telephone instructions should be confirmed in writing to ensure that they have been clearly understood. Best practice dictates that written instructions should always identify by name

the party (usually the member) on whose behalf the lawyer is being instructed and, at the same time, any relevant documentation which you have in your possession and which the lawyer will need in order to form an opinion in the case. The precise points on which you require assistance, advice or action should also be set out in the written instruction. It is important to remember that, even when a lawyer has been appointed, the correspondent is still responsible for closely monitoring the progress of the case. Moreover, close attention should be paid to the activities undertaken by the lawyer to ensure that the best interests of the club and the member are protected. In this way the lawyer does not then carry out unnecessary activities which are not economically justified. Lawyers' fees which are charged on a contingency basis or upon a percentage of the claim amount are not normally acceptable, although the club recognises that in certain jurisdictions this type of tariff will apply. In general, lawyers' fees should be charged on an hourly basis for work done.

Communication, timelines and subsequent reporting

Once a claim occurs, communication is vital for getting it investigated. This usually starts with the simple act of the club or correspondent receiving reports of an incident. It goes without saying that the handling of the initial receipt of a claim notice is vitally important to the claim resolution process. Some 'hand holding' and advice to the master on what to expect often helps and, moreover, clear and sufficient reporting back to the club helps the claim handler manage the relationship with the member by never promising more than can be delivered. The benefits when these things are done well in a timely manner are enormous. The club recognises that response times will differ depending on the nature of the case and more importantly the stage at which the case is at. Routine requests for updates should ideally be answered within three working days. E-mail messages on new matters which are at an early stage of development should typically be handled as quickly as possible and within 24 hours. Working with the club case handler, you will determine a schedule for sending status reports during the first stages of the incident and progress reports thereafter, showing developments as the matter matures during the lifecycle of the case.

Claims handling responsibilities

To help the claims handler set the appropriate reserve and comply with routine internal reporting requirements, you will deliver your best estimate of the overall claim exposure as soon as practicable. The estimate will include separate costings for correspondent services, as well as surveys, lawyers and other third party service providers engaged to assist with the handling of the incident.

The decision to provide a letter of undertaking/guarantee of any sort, time extensions to third parties and proposals for settlement of a claim rest solely with the club. You will be expected to seek authorisation from the club before agreeing to anything when a third party claimant contacts you. Additional information that you receive in this way and which is likely to impact on the arrest of the member's ship or the underlying claim estimate should be reported to the club immediately.

Large claims and major casualties

Liability claims are becoming increasingly complex and costly as awareness of compensation continues to spread. As well as having to face familiar risks, there are the demands of a less forgiving regulatory and legal environment. All of these factors can combine to impair a successful outcome of managing a major casualty in which you, as the correspondent, have a vital role to play, in ensuring members' liability and business interruption arising therefrom is minimised as much as possible. The club therefore expects you to have and to maintain up to date information for use in responding to and handling a large or major casualty. This to be combined with a contingency plan that you test from time to time and which defines clear roles and responsibilities of staff and which includes a ready-made outline of procedures, contacts and checklists of actions to be taken when such an event occurs.

Billing

The club fully understands that business cash flow depends on prompt payment. To help us achieve that, you will be familiar with the club's billing requirements as set out in the circular dated 8 November

2013. Complying with our guidance will enable us to pay your bills promptly. The basis on which fees are charged should be clearly set out and, unless otherwise agreed, the work will be performed on an hourly rate for office work. Your involvement in a large claim or major casualty will determine whether the club will seek to agree a daily charge-out rate or negotiate a lump sum fee basis of charging with you. Your prolonged daily involvement will be a driving factor in determining this.

The club accepts that you will incur local travel costs and, from time to time, travel other than local may be necessary. All travel time over two hours' duration should be agreed in advance and, where applicable, a capped daily travel rate agreed with the club. All out of pocket expenses incurred by you in connection with the engagement are to be itemised separately and supported where applicable with invoice attachments. Similarly, third party service providers should be clearly identified and a copy of the third party service provider's invoice should also be attached. As a general rule, third party invoices should not be settled without the express authority of the club, although an indication by you as to whether the invoice is reasonable should be provided. Your final invoice on conclusion of the claim to be submitted within 30 working days.

Fee rates

To be reviewed and agreed by the club annually.

Anti-bribery

All persons associated with or involved in delivering a commercial correspondent service will:

- Comply with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption, including the UK Bribery Act 2010, and not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 and 6 of the UK Bribery Act;
- Have and maintain in force its own policies and procedures to ensure compliance with the relevant requirements;
- Promptly report on any request or demand for any undue financial or other advantage of any kind received in connection with the performance of duties;
- Immediately notify us if a foreign public official becomes an officer or employee, or acquires a direct or indirect interest in your company.

Money laundering

The Standard Club is regulated by the Financial Conduct Authority and as such is required to comply with the general law on money laundering. Those regulations in the United Kingdom require the businesses, subject to them, put in place internal controls and monitoring systems to identify their clients and to ensure the transactions are legal. The club expects correspondents to exercise care to ensure that they, their subcontractors and third party service providers do not contravene any applicable anti-money laundering or tax evasion legislation in the jurisdictions in which they operate.

Conflict of interest

A conflict check should be undertaken as soon as instructions are received. You will promptly notify the club of any matter which would render it undesirable for you to continue with your involvement. In some specific situations there may be ways to work with conflict, but your first action must always be to declare it immediately you become aware of it.

Client money and trust accounts

It is important that members and/or club money is held correctly and conforms to good business practice in your country. As a matter of best practice when holding members' money and/or club settlement funds, the club expects you to discuss how those funds will be handled when they reach your bank account. This will include telling us about the type of special account, if any, that the cash will be deposited in before the payment is passed to a third party.

Disaster recovery

The club expects you to have in place a disaster recovery plan that provides for a state of readiness and which allows your business, by invoking recovery procedures, to promptly respond after a disaster has occurred.

Professional indemnity insurance

Each year you will be required to provide a copy of your current PII certificate of insurance. Should your business extend to ownership of an associated company that you instruct from time to time, we shall ask you to provide a copy of the PII certificate for that company as well, unless it is evident that your certificate covers your consolidated business interests.

Formal review

There will be regular formal reviews when the correspondent is visiting the club, using this document as a framework to better understand what is expected to be delivered by the correspondent and the club, with the aim to continually improve the service, the relationship and the support process. Blending your feedback into the discussion on particular cases will help us document performance from both sides.

Service Standards – key performance indicators

First notice instruction to be acknowledged/communicated to club within	24 hours
Respond to all e-mails on new matters at an early stage of development within	24 hours
Surveyors/lawyers following instructions to respond with an e-mail summary report within	2 working days
Deliver best estimate of overall claim exposure	When appropriate
Significant reserve updates to be communicated to the club within	24 hours
Routine requests for file review/updates – respond within	3 working days
Maintain procedures and controls to identify potential bribery/fraud, money laundering and conflicts of interest	100%
Final invoice on conclusion of claim within	30 working days